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[Note: The following is separable from these personal details and the submission published as you may choose to do.]

SUBMISSION ON CARD FEE REGULATION TO NZ MINISTRY OF BUSINESS

CARD FEE REGULATION

Few people would have devoted as much attention to policy about regulating transaction card fees as I – this submission shares lessons so slowly learned by an otherwise acknowledged expert with long and deep experience in the retail banking policy arena.

New Zealand is in a special situation. As 'foreign banks' are the dominant players, the Australian government is primarily responsible for their supervision and solvency. Among other things New Zealand can take an independent stance in relation to consumer protection – including fees.

I would encourage that. In particular, the outcome I encourage from this review is the outlawing of any ad-valorem (%) fees for domestic payment transactions.

This step alone would put the credit-card product in the breech -- but be wary: a 2001 intention to do this in Australia did not eventuate and, while the RBA never explained why, one inference is that disruption of the retail payments system may have been contended.

The essential reasoning is that credit cards are now an entirely redundant contrivance against the public interest. Put differently, there is nothing that can be done with a credit card that could not be done with a debit card linked to a deposit account with an overdraft facility for approved customers – practically, however, banks issuing credit cards have, as a trade practice, so restricted the functionality of debit cards as to require credit cards to make 'over the phone' and 'tap'n'go' purchases as well as having a line of credit.

[Card issuers may be entitled to levy a % fee for foreign exchange conversions when customers use cards in other countries but any fx-fee should be regulated to preclude profiteering.]

The understanding I have of the card fees racket is set out in submissions made to the Reserve Bank of Australia going back almost two decades – these are accessible at http://www.rba.gov.au/payments-and-infrastructure.

My two most recent submissions – in 2015 and 2016 – are accessible at:

2016

http://www.rba.gov.au/payments-and-infrastructure/submissions/standards-for-card-payments-systems/word/peter-mair.rtf

2015

http://www.rba.gov.au/payments-and-infrastructure/submissions/review-of-card-payments-regulation/peter-mair.docx

I trust they are comprehensible in the context of the NZ review and stand ready to explain and elaborate as you may wish.

Some back talk

Issues about card fees are inseparable from retail banking regulation more generally.

To cut to the chase, the understanding I now have is that the banking and competition regulators, ‘globally’ across our usual reference group of countries, had no proper understanding of what they were doing in the 1980s as it became fashionable to ‘deregulate’ retail banking.

In the event retail banking institutions were inevitably destabilized and, predictably enough, the regulatory responses, including after the GFC, were mainly concerned with bolstering the stability of the financial system.

Given a choice between ‘stability’ and ‘competition and efficiency’ in setting payments system policy, banking authorities choose ‘stability’ and the testament is how retail banking in many countries is effectively run as an inefficient cartel.

The long prevailing policy approach to ‘stability’ entails regulatory deception to ensure retail banking is ‘excessively profitable’ – not least to avoid any unseemly scramble to raise additional capital if bank share prices were to be shaken. Public funded bailouts and blanket ‘bank guarantees’ are never withheld when confidence is at risk. The best gloss on this is that ‘excess profits’ are akin to tax revenue earmarked for banks – but gathered in hidden ways not seen to so be.

Unfortunately, with the low interest regime, the game is up -- the deception is not only now exposed, banks are left weaker. All the hype about banks raising more capital deceptively ignores the erosion of the de facto capital base of the banking cartel.

Until recently, enormous residual capital value was inherent in the present value of the coordinated monopoly rents flowing from excessively profitable transaction account business – and credit card business. Low interest rates on assets funded by ‘free’ deposits have pulled the rug long underpinning the sale value as a going concern of an otherwise ‘failed’ bank.

In these circumstances it is not surprising that the banking regulators are content to see banks continuing to run credit card schemes on terms that denote a contrived racket and otherwise gouging customers with usurious interest rates and ‘exception fees’ that compensate for lost margins on assets.

Yours sincerely, Peter Mair

SUMMISSION : RESERVE BANK PAYMENTS POLICY DEPARTMENT: CARD PAYMENTS REGULATION

THE FUTURE FOR CREDIT CARDS

MYSTERIES OF RETAIL PAYMENTS REGULATION

The portents of the RBA's current 'issues paper', and yet another protracted review, are not all that good when the regulatory noose needs to be tightened more quickly around credit card schemes.

It is disappointing, for example, that, apparently, the cap on interchange fees, for local credit card transactions will, at the very least, not be lowered to 0.3% in line with the now established European standard.

Ideally, all ad-valorem fees in retail payment schemes would be proscribed – and doing so would soon cool the debate about retailer surcharges.

The confusion about planned inaction is only greater when the RBA says:

The current review has not altered the Board's long-held view that there appears to be little justification for significant interchange fee payments in mature card systems.

The concerns are further stimulated when the RBA makes a plea for decency, well knowing banks' long determined inclination to circumvent regulation.

........, the Board expects payment systems participants to observe and comply with the Bank's regulatory framework in good faith and not attempt to circumvent the policy.

Beyond that, the little-ado-about-much theme of the RBA's inclinations is further illustrated:

.... while there may be a role for interchange fees in emerging payment systems in encouraging the use of a system by one side of the market or the other, the case for such fees is much weaker as the system becomes well established. The latter conditions clearly apply in Australia; payment cards are now the dominant means of making retail payments, ... Visa and MasterCard are the two largest schemes and jointly account for around 65 per cent of all card payments (debit, credit and charge). This market share has grown over the past few years, but there has been no tendency for interchange rates in these systems to fall as system volumes have risen and as average costs have fallen.

Why does the RBA not act on its own repeated assessment: no need for interchange fees?

There are also relevant points that the RBA does not seem to mention. In particular the customers' inducement to use credit cards is only increased when, beyond a few free debits to deposit accounts, additional debits attract fees of some 50 cents – fees that can be avoided by using the credit card account instead of a debit card.

It is no wonder that the question, left hanging in the air, is why such a long and tortuous debate is still unfolding some 20 years after the RBA was empowered to take credit cards out of the retail payments game because they were, even then, known to be a redundant, profiteering and disruptive contrivance against the public interest.

When something is not done it is presumably something not intended to be done. Why?

Starting at the end

Many, like me, have long been troubled by the apparent ineffectiveness of the regulation of retail payments arrangements, and related transaction account banking facilities, to promote – and presumably deliver – an efficient and competitive retail payments system.

Those, so troubled, do not include the four major banks.

Indeed a former major-bank CEO headed a recent review of the financial system and, early in the course of that review declared the system was both efficient and competitive – and that was the end of that line of inquiry. This declaration was then, and remains now, contrary to the understanding in the community generally that the retail banking system operates like a cartel – and un-competitively and inefficiently as well -- to benefit the banks at the expense of the community.

Credit card schemes – now, essentially a redundant contrivance -- are a prime example.

Recurrent scandals, about malpractices and gouging of fees among the major banks, reported in the media and abhorred in the course of parliamentary inquiries only add to the sense of incredulity in the community with 'AOK' announcements from the regulators that 'there is nothing to see here'.

There is plenty to see here.

Before illustrating that further, however, it may be instructive to consider a possible sleight of sight in reading the riding instructions given to the RBA about its regulation of the payments system – they say:

The Board is required to exercise its responsibilities in a way that best contributes to controlling risk in the financial system, promoting the efficiency of the payments system and

promoting competition in the market for payment services, consistent with the overall stability of the financial system.

Those, like me, seeing words they like – about promoting competition and efficiency – are not seeing the words the RBA and the major banks like, the apparently overriding top-and-tail to these instructions about 'controlling risk' and 'consistent with the overall stability of the financial system'.

Once the focus of attention is riveted on 'risk' and 'stability' it is no wonder the RBA has been and remains a self-declared 'reluctant regulator' of retail payments systems – and why problems with no-competition and inefficiency in retail payments remain entrenched.

The community is the guilty party (if the RBA is not)

Community angst about a monopolistically profiteering banking system sits uneasily with the same community concurrently retaining an unhealthy attachment to inefficient payment products.

Imagine the outcry if, some two decades ago, the RBA had actively promoted the demise of the cheque as a popular payment instrument. Recall some history about reforms of bank fees – like the open revolt in 1963 when the banks started charging 3 cents for each cheque deposited; bring to mind any of the myriad letters-to-the-editor decrying the banks charging customers to either put money in or take ('their') money out of their account.

Have some empathetic respect for the politicians and the regulators deftly letting sleeping dogs lie. Bank regulators take refuge in allowing banks to get retail-banking revenue however they can – the only proviso being that bank customers be never told about the sleight of hand entailed in the customers swapping free banking transactions for not getting interest on deposits in transaction accounts -- and more, banks overcharging retailers for credit card transactions which are provided not only 'free of charge' to card users but often encouraged with flyer-point rewards as well (costs all recovered in higher retail prices for purchases).

It is an indictment of the community that the RBA could, apparently, never ever be permitted to share with the community these insights into how the banking game is played: the customers are left with an illusion -- the sheer enjoyment of being underpaid and overcharged.

It is notable, however, that the same community has been played off a break by the increased price of electricity, gas and water among many other utility things – areas where community complaints about excessive charges are met with an official bon-mot akin to advice recently made popular by a Cup winning jockey.

Even so, the question has to be asked 'why did the RBA not take the community into its confidence and, with the help of a Ross Gittins, explain why it was sensible to encourage banks to levy explicit fees and charges directly on customers for banking services?

Now, the answer to that question is presumably that the RBA did not want to – it did not want to change a game that delivered excessive profits to banks and, thus, salvation also into the RBA's

hands in terms of ‘controlling risk and avoiding instability’ as the solvency of banks was, and is, so softly featherbedded.

Overall, the display of such reluctance by the RBA has been and remains problematic – properly explained, the community could have and would have understood the need for better outcomes.

There is still no indication of the RBA intending to show more respect for the community -- explaining how the banking game works now and could be played better in future.

A never ending story

.... of a regulatory mystery.

Twenty years on, it is remarkable that the RBA is embarked on, and embroiled in, yet another round of protracted review and consultation to address ‘problems’ with credit card schemes. Basic problems, of longstanding, have not yet been properly addressed -- some problems reflect misguided regulation, by the RBA itself, in its previous displays of circle-work that could collectively be seen as more intended to foster, than to stop, profiteering inherent in credit card schemes.

The RBA could have, should have, wrapped these problems up years ago – why did it chose to not do so?

The recognition of credit card schemes clearly confronting the wider Australian community dates back to the early 1990s. At that time, it was expected that the acceptance of EFTPOS debit-card schemes meant that – except for international travellers -- the future for credit cards was bleak – especially if debit cards were linked to a line of credit.

What happened next was an astonishing illustration of attack-being-the-best-defence by the banks issuing the dominant Visa and MasterCard (VMC) credit-cards. Instead of languishing as they should have, these credit card schemes were soon prospering mightily. None of this could have happened without the tacit cooperation of the RBA, to say nothing of other consumer-protection regulators deferring to the RBA.

By way of an illustrative anecdote, the demise of credit cards was expected to be documented in a reformed collection of card transaction statistics in the RBA Bulletin showing separately debit and credit card activity. The development of this collection, first published in mid 1995, intended to embrace details of revenue collected by way of interchange and other fees paid by merchants and customers – separately for both card classes. At the last moment the RBA deleted the revenue items – this notwithstanding that all banks, including the major banks, had agreed to report these figures for publication. There is a wry rule in the bureaucracy – do not ask questions to which the likely answers would demand action we do not want to take. Many years later, when this shortcoming was corrected, credit-card interchange fees had already been capped at about half of previous levels.

The question, then left hanging, is why the RBA did not want to see the cheaper and more efficient technology of EFTPOS displace the profiteering and inefficiency inherent in the VMC credit card schemes?

There should be growing respect for the idea that the RBA still likes banks to have very lucrative, soft-income streams to bolster their solvency. Indeed, the recent flurry of activity about

higher capital requirements for banks needs to be weighed against the loss of soft income from deposit accounts as interest rates fell to historic lows.

The take-over value (sale price) of a bank holding substantial transaction account deposits is a lot lower when interest rates are 2% p.a rather than 5% p.a. Consider that banks are now holding some $1,000 billion – that's one trillion – in transaction account deposits on which 'no' interest is paid and, at 2% v.5%, earning some 30 billion less each year to cover costs and any losses – the present capital value of that 'less' is ....best left unsaid lest it frighten the horses.

A regulatory wasteland

Some things are still not well understood.

Globally, central banks, and associated financial system regulators, are routinely accorded a sanctified status that, frankly, almost always stands in sharp contrast to repeated, practical displays of ineptitude.

A foremost illustration of such misplaced faith is the Basel based BIS – a central bankers' bank established in the wake of the great depression, to ensure such a thing never happened again. It did in 2008. The viability of national and global financial institutions and markets was sapped in a two-decade campaign of misguided and deceptive regulatory reform. Promoting global observance of a regulatory scheme promising 'bank capital adequacy', actually, predictably, ensured the complete contradiction of the promise and delivered bankrupt banks and a global financial crisis.

Why the BIS still exists is an open question.

A renewed framework for such campaigns, to supervise bank stability, nationally and globally, subsequently reached such a babel-like level of confused complexity as to leave local banking regulators perplexed – well advised to just do what they think best.

Locally, in Australia, a dramatic contribution of the banking regulators to financial instability was made early. In the 1980s, the local banking system was deregulated without understanding the consequences -- that what was being done would precipitate a substantial failure of the local banking system. In the wake, all state banks and almost every newly licensed foreign bank failed and two of the four major banks were on the ropes.

The repercussions included a level of political and regulatory fear that has apparently translated to a no-risk regulatory culture and 'can't-fail' industry structure.

That context is essential to understanding the history of payments system regulation – the self-described title of 'reluctant regulator' grossly understates the apparent inclination of the RBA to do nothing much in the way of reforming an uncompetitive and inefficient retail payments system. As planned, credit card schemes will remain a problem – for customers!

End note

Some 75 years ago a debate about nationalising the banks, or not, eventually decided 'not'. The situation now prevailing is close to the 'not' being replaced by 'now done'. In broad terms, bank customers own the banks and get the profits in a circular interaction assisted by super funds – and the community purse is always open to cover any unforeseen events.

The four major national banks that have long run the game akin to a cartel are so ‘too big to fail’ that questions about the system being inherently competitive and efficient have long ceased to be relevant. A new national payments platform, akin to a public utility, will make a useful contribution to efficiency but competition will remain a mythical aspiration.

Australia could do better: taking credit cards out of the game would help but not yet it seems.

Peter Mair 28 January 2016.

SUBMISSION TO RESERVE BANK REVIEW OF CARD PAYMENTS REGULATION

PETER MAIR – APRIL 2015

REGULATING CARD-PAYMENT PRICING

The benchmark proposition here is that, were simple ‘fixed’ transaction fees to replace ad-valorem (% based) fees for retail banking transactions, there would be not only no ready rationale for controversial surcharges on credit card purchases but the competitive efficiency of the retail payments system more generally would be improved.

While perceptions can become confused with the passage of time, the de facto proscription of ad-valorem transaction fees was mooted initially by the RBA itself in December 2001. Reforms proposed then would have excluded any allowance for ‘free credit’ in the transparent costs eligible to be recovered in interchange fees. In the event, inexplicably and not explained, a too-generous cap of some 0.5% was set for these fees effective 2003.

The cap remains but, observed on an ‘overall’ basis, it accommodates a game where much higher impositions are levied on some purchases in exchange for flyer-point ‘rewards’ to premium card holders.

The upshot for many years now has seen the RBA – and the wider community -- outpointed by major banks playing with the regulatory framework when offering credit card and like facilities on excessively profitable, cartel-like terms.

The sense of the major credit card schemes being offensive in their operation – especially excessive interchange fees -- is apparently widely appreciated by banking and trade practices regulators but any corrective intervention has been both tentative and of modest aspiration – that regulatory reluctance needs to be explained.

In short, whatever justification there may have been for ad-valorem interchange fees when the product was in its embryonic and early development stages has surely ceased to apply to what is now such a mature and ubiquitous product.

It is time to put a stop to such systemic exploitation and the following makes the case for doing so.

The indictment of credit cards

While it is comfortable to always have a few thousand at the ready in the pocket, it is not necessary that a transaction facility with a line of credit be linked to a conventional credit card.

On the contrary, the conventional credit card product is now best assessed as a redundant contrivance distinguished only by the levying of an ad-valorem interchange fee on transactions. The very same piece of plastic in pockets is typically also a debit card enabling EFTPOS purchases and ATM access that attract only small fixed transaction fees if any. Those needing credit could have an overdraft line of credit attached to a debit card and it is indicative of cartel pricing that access to credit remains tied to credit cards.

Put more sharply, conventional credit card schemes are now simply a self-serving racket run by banks.

Among other things:

- The ‘free credit’ proffered is essentially illusory – not only do users in continuing debt not get any ‘free credit’ at all but those paying the whole balance before the due date are most likely doing so with funds held in a deposit account on which no material interest is paid. It is a contrivance to require separate credit card accounts.

- Purchases with credit cards which are ‘fee free’ to customers actually attract excessive fees, paid by merchants but inequitably recovered in inflated retail prices charged to all – as well, customers wanting to minimise any fixed fees for EFTPOS purchases are sensibly likely to use the credit card. This ‘competitive’ card fee structure is perverse.

- The indictment of systemic misbehaviour known to be deliberately profiteering was initially associated with so-called ‘scheme debit cards’ – effectively ‘no credit’ credit cards as customer purchases would always be funded from balances already on deposit. Banks pocketed ad valorem interchange fees at credit card rates.

- Associated ‘traps’ for credit card users include excessive fixed penalty fees for ‘late payments’ which only compounds the sting of backdated credit charges levied at excessive interest rates – to say nothing of the prospect of undisciplined customers overspending and carrying expensive debt. The commercial brutality of the penalties for actually using credit card debt facilities belies the name of the product – banks would be wary of customers needing to borrow at credit card interest rates and inadvertent late-payers are given no concession for idle funds in matching deposit accounts. Such uniform gouging is again indicative of a cartel denying competition.

- The basic racketeering indictment is only underscored by the proffering of ‘flyer points’ for purchases using premium cards for which the interchange fees are loaded mainly at the expense of merchants in high-margin retail operations – this gaming of the ‘cap’ is

offensive. Conversely, when merchants surcharge excessively, card issuers, complaining loudly of ‘profiteering’, demand caps on merchant surcharges while ignoring their own misbehaviour. The community loses.

- So also offensive is the further refinement of a racket that combines bank-cards with T&E charge cards. These schemes -- AMEX/Diners -- are a contrivance for tax-avoidance, converting an unfairly ‘loaded’ tax-deductible business expense into tax-free personal income in the hands of the named card holder. Proscribing ad-valorem fees for card transactions would end this contrivance of personal ‘rewards’ financed by loading business-fees.

- New fronts for exploitation have opened in the guise of ‘travel cash’ and other variations of pre-funded ‘cash-cards’ attracting ad-valorem fees on card loads and overseas purchase and cash-out transactions.

- .... and one can only wonder about the implications of ‘tap and go’ enhancement of the functionality of credit cards exclusively...........whatever the potential for the cartel-like VMC duopoly to substitute ‘card currency’ for conventional cash, with attendant erosion of seigniorage, the dominance of VMC schemes globally is an impediment to the commercial development of competing electronic-cash technologies.

Why does the racketeering continue?

The indictment of the major credit card schemes as racketeering gathered strength and credibility from the development of the electronic payments technology and substitute products that exposed the exploitation locked into the mirror-image cartel-like nature of the dominant schemes.

Presumably the ever-growing dominance of the VMC schemes globally gives them and their bank associates considerable commercial power and political clout – the messy regulatory compromise in Europe accepting ad valorem interchange fee caps for both credit card and debit suggests it is not easy to get out of the ad valorem game. Australia could and should take the initiative to do so.

Locally also, presumably, there is lingering ‘protection’ of the interchange fee racket flowing from joint venture provisions allowing collective price setting practices.

Whatever, one cannot also help thinking that it suits the banking regulators to allow banks to have access to these excessively profitable arrangements at the expense of the wider community. Viewed in this light, the racket becomes almost a de facto enhancement of the capital of the banking system. Put differently, allowing the credit card racket to continue endorses a discretionary regulated ‘tax’ unfairly imposed on the community without any justification – a tax imposed by a self-declared ‘reluctant regulator’ but one not owning up to being a reluctant de-regulator and corrector of unintended consequences of other regulatory shortcomings.

This thinking is only endorsed by the associated appalling regulatory nonsense that allows major banks ‘alone’ to engage in bartering arrangements – free transactions for interest free deposits – at the massive expense of sustaining an insurmountable barrier to entry to ‘new banks’ and ensuring the ‘death by takeover’ of any erstwhile competitor with pretensions to viability.

This ‘no’-cost deposit base is now running towards one trillion dollars.

Why is retail banking run like a cartel? -- Banking regulators also like it like that, apparently.

.........and that, so far, says nothing of related consequences -- the now substantial (and, at times, massive) tax evasion associated with the not-taxed, income-in-kind of underpriced services; the misuse of associated excessive profits in retail banking to plunder wealth-management and other business opportunities; the predictable inefficiency of a retail payments system operating so perversely without any semblance of explicit cost-based prices.

Australia is paying a high price for the privilege of its major banks and banking regulators enjoying the quiet life of operating and overseeing a commercial cartel protected by discretionary de facto regulation that is ‘unlegislated’, ‘unwritten’, ‘unseen’, and ‘unspoken’.

Australia is not alone: consumers globally are routinely abused by banking arrangements and regulatory settings that are similarly exploitative and nonsensical.

What happened to ideals of regulatory integrity?

Locked into an unspoken deception

An obvious ‘clean slate’ regulatory response to the current distorted market mess with credit cards would start from the premise that fees charged for retail banking transactions would best be fixed fees reflecting the costs of providing the transaction. Implicitly there would be no ‘ad valorem’ fees akin to the current interchange fee arrangements or potential substitutes, such as ad valorem fees linked to merchant card-sales revenue. Merchants would recover their costs of card-sale transactions – including fees paid to banks – from sales revenue or possibly surcharges reflecting the small fixed fees paid to banks.

In the face of such prospective simplicity it is difficult to understand the need for such discursive exploratory expositions of the claimed policy challenges as set out in the Murray Committee report and the related RBA discussion paper nominating ‘issues for consultation’.

Murray Committee processes were opaque – nothing was disclosed about its consultations. It now seems, comparing its report and the related the RBA discussion paper, that some common ground was agreed with the RBA about the need to address issues with credit card pricing -- even so it also seems that simplicity was not an objective of the resolutions explored.

Addressing details of the many contrived possibilities so floated for ‘reform’ in these papers would only compound the prospect of mind-boggling regulatory complexities. I won’t.

To re-state a relevant conclusion of the Murray Committee, a regulatory regime proscribing such ad valorem transaction fees would likely *‘improve clarity, enhance competitive neutrality, improve the efficiency of price signals and reduce cross subsidisation’*.

The ‘official’ reform proposals floated for discussion apparently assume that there is a continuing need for ad-valorem fees – any such ‘need’ has not been established. In seeking to reconcile this ‘locked in’ mentality one can only think, Irishly, that we would not start from ‘here’ to get where we want to be.

The RBA should explain clearly the rationale it sees, if any, for ad valorem transaction fees for credit cards – and why banks do not simply offer a line of credit with debit-card deposit accounts.

Put differently, as I see it, there is no continuing role for the conventional credit-card product when an overdraft line of credit could be appended to a conventional debit card product – mostly banks would not even need to issue new cards.

Nietzsche may sensibly say ‘the credit-card should be dead’: sensible regulators would kill it.

End piece

I am no admirer of the prevailing regulatory regime for retail banking in Australia or our usual reference group of other like countries.

The convoluted and dissembling character of any discussion of retail banking regulation here and abroad is fair warning of a need for scepticism when considering official reform proposals and Jack Horner like, self-congratulatory claims of how well they have done so far in regulating the retail banking and payments system. A banking cartel running amok with the support of the regulators is not the best outcome.

A sense of deliberate deception is only reinforced by the realisation that the regulators and the regulated are the major beneficiaries of the otherwise patent nonsense entrenched in the current regulatory environment.

If the way things are is the way they are intended to be, then the ‘responsible’ regulatory authorities have much to explain much more transparently than has ever been done in recent memory. There is clearly no intention to do this.

Whatever, if there is any genuine commitment to addressing the damage being done by credit card schemes specifically, the character of the discussion would be so very different to what has been paraded as the ‘relevant issues’.

The proscription of ad-valorem fees for retail banking transactions, effectively first mooted by the RBA in 2001, should be reconsidered. With modern PIN authorisation technology and automated account monitoring keeping credit card ‘fraud’ to manageably low levels, and the similarly sophisticated management of settlement risk there is hardly any rationale for charging ad valorem fees of any consequence for credit card transactions.

Proscribing ad valorem fees for credit card transactions would remove from the table most issues about associated regulatory policy.

Please proscribe such ad valorem fees – or, please, clearly explain any continuing need for them.

Peter Mair 14 April 2015